

FISCAL NOTE

HB 3194 - SB 3256

March 3, 1998

SUMMARY OF BILL: Creates the Select Oversight Committee on Alcohol and Drug Abuse Services with five members each from the Senate and the House. The committee is to thoroughly review all alcohol and drug abuse services and any proposed expenditure of funds including TennCare Partner funds. The committee will review all relevant bills for comment prior to consideration in the standing committee. Requires managed care organizations, preferred provider organizations and behavioral health organizations to utilize the standards for care developed by the American Society of Addiction Medicine. Creates minimum standards for client appeals of MCO decisions about such care. Requires the Department of Health to use all federal block grant funds (other than TennCare) to develop and sustain a system of community providers of alcohol and drug treatment services. Requires the Department of Health, in consultation with the Department of Commerce and Insurance, to establish a reimbursement schedule for such services funded by TennCare. Allows the Commissioner of Commerce and Insurance to forward any provider bills unpaid by a BHO to the Attorney General for arbitration or enforcement action.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Estimate assumes an addition of two positions to provide staff support. Bill mandates enhanced service standards for treatment of clients with substance abuse problems. Such standards exceed those currently required of BHO's. Estimate assumes the use of such standards will generate a significant increase in expenditures to BHO's which will likely result in increased expenditures to the state. The amount of such increase cannot be determined but is estimated to exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director